## EITI CP

### EITI CP Text

#### Text: All aff actors will pledge to the extractive industries’ transparency initiative and require all resource extraction activities to meet the new guidelines. The reports will implement the new uniform publishing model and accessibility requirements from the 2013 conference.

### Net Benefit – Corruption

#### CP solves corruption, which has multiple governance impacts and turns case since weak government means enforcement of the AC is impossible.

Aaronson 11 [Aaronson, Susan Ariel (George Washington University, USA). "Limited partnership: Business, government, civil society, and the public in the Extractive Industries Transparency Initiative (EITI)." Public Administration and Development 31.1 (2011): 50-63] AJ

Extractive firms often operate in resource-rich countries with weak governance and corrupt practices (IIED and WBCSD, 2002; UNCTAD, 2007). Because extraction costs are high, executives must frequently interact with developing country policymakers who make decisions on various stages of the extraction process; for example, exploration, development, construction, operation, and exporting. Each of these decision points creates opportunities for rent-seeking and corruption. Corruption affects the environment for business and policymaking. Corporate executives are increasingly aware that corruption not only affects profits, but also increases business risk. Corruption also dramatically affects the public at large, influencing investment in and access to public services such as education, healthcare, and roads among other services. Corruption can undermine governance and democracy, and complicate corporate social responsibility (Frynas, 2005; Aaronson, 2009). Table 1 summarizes the impacts of government corruption on citizens and corporations. As indicated, the impacts of corruption extend far beyond a particular extractive industry or the region and communities where firms operate. Countries with high levels of corruption fail to attract international or domestic investment, and perform poorly on many development indicators (Klitgaard, 1988; Lambsdorff, 2007). Democratic nations are better positioned to deal with corruption (Stapenhurst and Kpundeh, 1999; World Bank, 2000; Sandholz and Gray, 2003). Public-private partnerships (PPPs), inclusive of extractive firms, governments, and civil society, may prove effective in addressing endemic corruption and its negative spillovers. PPPs that connect governments with the citizenry may be particularly important to improving governance. Firm managers are increasingly willing to collaborate with NGOs in the developing world to counter corruption and/or to improve governance (IIED and WBCSD, 2002; ICMM, 2006). PPPs are multi-organizational and/or multi-sectoral institutional arrangements that capitalize on the respective comparative advantages of their members in terms of resources, skills, and mission (Brinkerhoff, 2002). Beyond effectiveness and efficiency improvements, actors may pursue partnership for the purpose of conflict management, when conflict-related costs become greater than those associated with cooperation. Partnership as a conflict management tool structures accountability. As Brinkerhoff (2002, p. 4) notes, ‘‘The potential for conflicting motivations and objectives forms the basis for accountability in upholding the pursuit of common goals or at least agreements on goals, when the diverse actors are sufficiently engaged.’’ Partnership may also be pursued more explicitly to open decision-making processes (Ibid). EITI is an example of such collaboration; it is a PPP designed to reduce corruption and improve governance (Islam, 2008; Transparency International, 2010). While the partners may not see eye to eye on everything, EITI is based on mutuality (Austin, 2000; Brinkerhoff, 2002). Accountability and coordination are horizontally organized, rather than dictated by a subset of participating actors, and decision making is shared (Brinkerhoff, 2002). EITI is an interesting case study of a PPP. Its stated aim is to improve the transparency of decision making processes, although some participants may be strongly driven by self-interest (e.g., revenues, profits, and/or governance improvements).

#### That outweighs:

#### CP is a prerequisite since corruption means enforcement of the aff laws is impossible without a stable government.

#### Rollbacks: Corrupt officials have an incentive to keep getting money from resource rents, so it’ll be impossible to maintain aff restrictions on resource extraction

#### Academic consensus – my evidence is a lit review, so it combines the views of several authors who prove corruption is a key impact.

### Solvency – Transparency [S]

#### CP reduces government corruption and solves resource curse/human rights abuses.

Kolstad 9 [IVAR KOLSTAD and ARNE WIIG (Chr. Michelsen Institute, Bergen, Norway). “Is Transparency the Key to Reducing Corruption in Resource-Rich Countries?” World Development Vol. 37, No. 3, pp. 521–532, 2009] AJ

As our focus is on transparency, let us discuss this in more detail. Firstly, transparency has a direct impact on detection (the probability of getting caught). The more transparent the cost structure of the oil company is, the more difficult it is for the bureaucrat to distort information and the easier it is to be caught doing so. When information is sparse, it is diffi- cult to reveal whether a bureaucrat is corrupt or not. Secondly, transparency might also have indirect impacts on the other explanatory factors of corruption referred to above. Transparency might, for instance, have an indirect impact on law enforcement. Under non-transparent circumstances proof is more difficult to generate and corrupt officials are able to buy their way out of punishment. Transparency might also have an impact on the bribe size. On the one side, a lack of transparency may lead to a higher bribe as corrupt officials have greater bargaining power when information is sparse. On the other hand, a lack of transparency reduces the expected costs of being corrupt and might therefore decrease the bribe the bureaucrat requires for being corrupt. We will argue below that transparency has an indirect impact on moral costs through its effect on social norms. In sum, transparency is likely to reduce corrupt behavior.

### Solvency – Transparency [L]

#### CP solves information asymmetry and

Kolstad 9 [IVAR KOLSTAD and ARNE WIIG (Chr. Michelsen Institute, Bergen, Norway). “Is Transparency the Key to Reducing Corruption in Resource-Rich Countries?” World Development Vol. 37, No. 3, pp. 521–532, 2009] AJ

In the examples referred to above, the agent gains from his informational advantage. This suggests that it is in the interest of an agent to control or capture information, particularly when the gains are huge and when the cost of making informa- tion non-transparent is low (as in a country with huge natural resources, lack of an opposition and a free press). So far, the government or principal has been assumed to be benevolent, which may not be the case. The government may be as inter- ested in capturing rents from oil, as bureaucrats in lower tiers. The government may therefore also gain by making informa- tion less available. Another way to look at this is to change the principal agent model into a framework where the voters in a resource-rich country are the principal, while the government is the agent and democracy is the contract between the parties. If the gov- ernment does not behave according to the terms set by the vot- ers, in principle it can be replaced through an election. For this type of vertical accountability to work, however, voters have to be informed of the actions of governments. Where informa- tion is scarce, this type of accountability does not work prop- erly. 9 The point is that information capture influences political outcome. Lack of transparency discourages public participa- tion in democratic processes. Secrecy raises the price of information and thereby discourages voters or groups without special interests from participation. Interest groups might on the other hand lobby for their interests. Voters use available information to decide whether to keep the current party in power or to replace it with the opposition, but if, at the time of election, they are uninformed about the responsibilities for or consequences of current policies, they might not punish the current ruling party. Secrecy is an important way in which government officials attempt to influence public opinion or create rents for them- selves. When the government controls information, it there- fore gives rise to an additional adverse selection problem: It makes it less likely that voters punish bad government as bad politicians or policies are less likely to be identified and therefore replaced. Information capture also intensifies the moral hazard problem: Elected politicians are more likely to engage in rent extraction as they know they are not likely to be caught. Conversely, transparency reduces the possibilities of rent-seeking activities and increases the accountability of the government. It follows that corrupt governments would forgo huge rents if they implemented reform increasing access to information. As noted by Stiglitz (2002b), public officials have an incentive to increase information asymmetries to increase their informa- tion rents. This shows that information problems may be per- petuated where appropriable rents are large. This is related to the rentier state perspective, which suggests that resource rev- enues undermine democracy in several ways (see Ross, 2001). Firstly, resource revenues may reduce the need for domestic taxes, and the public is in turn less likely to demand govern- ment accountability (including access to information). Sec- ondly, resource revenues may be spent on patronage, which similarly reduces pressure for democratization. And thirdly, resource wealth may be used directly to oppress a population or prevent the formation of social groups independent of the state.

### Solvency – Corruption/Case

#### Transparency is uniquely key to the resource extraction sectors – solves the case.

GW 12 [A report by Global Witness – January 2012. “Rigged? The Scramble for Africa’s Oil, Gas, and Mineral] AJ

This report is underpinned by a simple truth: the scramble for oil and minerals has often been hugely destructive in poor countries and, by encouraging corruption, has contributed to massive human misery and governmental failure. This situation could change for the better, but only if governments and companies, in the world’s major economies as well as in poor countries, recognise a shared long-term interest in open, fair and sustainable trade in natural resources, which is based on transparency and the accountability of those in power to the citizens who are the rightful owners of these resources. The oil, gas and mining industries can be very complex, covering many thousands of companies from giant multinationals to tiny local firms. There can be big differences in licencing and contractual arrangements, not just between oil, gas and mining but within each sector, between one country and another and between different generations of contracts in the same country. And very little of the information that actually shows how resource rights are won, and where the benefits go, is available to the public. Unless and until this happens, pledges of greater transparency in the extractive sector will have little meaning, especially in countries like Angola, Nigeria and the DRC with a documented history of corruption. Much better transparency and oversight is needed in corporate ownership and government decision-making to reduce the potential for corruption so that poverty-stricken but resource- rich countries can use their vast oil wealth to foster development and reduce poverty.